TAB A

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Application by BellSouth Corporation,	)	
BellSouth Telecommunications, Inc., and	)	
BellSouth Long Distance, Inc., for	)	
Provision of In-Region, InterLATA	)	CC Docket No. 01-277
Services in Georgia and Louisiana	)	
	)	

**DECLARATION OF SHERRY LICHTENBERG,
RENE DESROSIERS, KAREN KINARD & RICHARD CABE**

1. My name is Sherry Lichtenberg. I have twenty years of experience in the telecommunications market. Prior to joining WorldCom, Inc., I was Pricing and Proposals Director for AT&T Government Markets, Executive Assistant to the President, and Staff Director for AT&T Government Markets. I also held a number of positions in Product and Project Management. I have been with WorldCom, Inc. for five years. I am currently employed by WorldCom, Inc. as a Senior Manager in the Mass Markets local services team. We will refer to the division of WorldCom, Inc. that offers local residential service as "MCI." My duties include designing, managing, and implementing MCI's local telecommunications services to residential customers on a mass market basis nationwide, including Operations Support Systems ("OSS") testing in BellSouth and elsewhere. I have been involved in OSS proceedings throughout the country including all of those in the BellSouth region.

2. My name is Rene H. Desrosiers. I am an Information Technology Director in WorldCom's Network Planning & Engineering organization. I am responsible for

planning, developing, and supporting WorldCom's Trading Partner Provisioning Systems. These systems service both the facilities-based and network platform product suites and the specific applications include collocation data management, network interconnect planning, access-interconnect optimization, pre-order interface management, and external order interface management for Unbundled Network Element-Platform (UNE-P), Unbundled Loops (UBL), Access Services, Digital Subscriber Line (DSL), Local Number Portability (LNP), E911, Directory Services, and Operator Services. In particular, since 1998, I have managed the development of UNE-P pre-ordering and ordering interfaces that communicate with Verizon, SBC and Bell South. In addition to application development, I am also responsible for representing WorldCom at various industry forums and standards bodies. The primary forums are the Alliance for Telecommunications Industry Solutions (ATIS) and the Telecommunications Industry Forum (TCIF). My committee involvement includes the Ordering & Billing Forum (OBF), Industry Numbering Committee (INC), Carrier Liaison Committee (CLC), T1M1, Electronic Communications Implementation Committee (ECIC), and Electronic Data Interchange (EDI) Committee. Prior to becoming Information Technology Director, I had held various positions since joining WorldCom's (then MCI's) Information Technology organization in January 1988 including seven years in technical and management roles supporting WorldCom's access provisioning application.

3. My name is Karen A. Kinard. I am a Senior Staff Member in WorldCom's National Carrier Management and Initiatives organization. I am responsible for performance measurement development for WorldCom, and I was a key developer of the Local Competition Users' Group's version 7 Service Quality Measurement document. I have also been WorldCom's lead representative in carrier-to-carrier performance measurement and remedy discussions and/or testified in Louisiana, North Carolina, Tennessee, South Carolina, Kentucky, Florida, as well as the Verizon states of New York, New Jersey, Pennsylvania and Virginia, and other states including Illinois, Michigan, Ohio, Indiana, and Arizona. I am currently participating in the Georgia six month review. I have held various positions since joining WorldCom's (then MCI's)

Local Initiatives group in June 1996, including leading a team that provided subject matter expertise during the first round of interconnection agreement negotiations. Before joining WorldCom, I was an Editor for 11 years at Telecommunications Reports ("TR"), and joined Phillips Business International's Communications Today daily electronic newsletter in 1995 as its chief FCC correspondent. I received my Masters of Science degree in Telecommunications Policy and Management from George Washington University in 1984

4. My name is Richard Cabe. I am an economist in private practice, specializing in economic analysis of regulatory matters in the telecommunications industry. I have presented testimony in matters concerning competition in the telecommunications industry to the public utility commissions of Alabama, Arizona, Colorado, Florida, Georgia, Iowa, Kentucky, Louisiana, Mississippi, Nevada, New Mexico, North Carolina, Oregon, South Carolina, Tennessee, Texas, Utah and Washington. I have also assisted in preparation of comments filed before the FCC. Until May of 1999, I was employed as Associate Professor of Economics and International Business at New Mexico State University. In that position, I taught graduate and undergraduate economics courses and arranged the telecommunications curriculum for conferences sponsored by the Center for Public Utilities. Over my last several years at the university, I offered graduate courses in Industrial Organization, Microeconomic Theory, Antitrust and Monopoly Power, Game Theory, Public Utilities Regulation, and Managerial Economics for MBA students. My experience with telecommunications regulation began in January of 1985 when I was employed by the Washington Utilities and Transportation Commission. During my employment at the Washington Commission, I served as a staff member to the Federal - State Joint Board in CC Docket No. 86-297. When I left the Washington Commission staff to complete my doctoral degree, my title was Telecommunications Regulatory Flexibility Manager. My consulting clients since I left the Washington Commission have included aspiring new entrants into the local telecommunications market, state commissions, and consumer advocates.

5. The purpose of our declaration is to describe the deficiencies we have found in

BellSouth's OSS since MCI launched local telephone service to residential customers in Georgia in May, 2001 using combinations of unbundled elements (UNE-P), and to discuss relevant evidence arising from BellSouth's performance measurement and incentive plans. MCI began service in Georgia based on plans that had been in place for more than six months. Through the end of September 2001, MCI has turned up more than 60,000 local residential lines in Georgia. MCI hopes to continue to expand service in Georgia and to serve other states in the BellSouth region. MCI is concerned, however, that the OSS problems MCI is already experiencing will expand dramatically if it significantly increases the volume of orders it is transmitting in the BellSouth region. While MCI is committed to the Georgia market, the scope and viability of our entry in the long term in Georgia and other BellSouth states remains very much in question if current levels of OSS problems continue, let alone if they grow with increased volumes of orders.

6. This Commission has three times rejected BellSouth's section 271 applications based largely on its failure to offer acceptable OSS. Although BellSouth has made some progress, many of the problems identified in those prior orders remain today and additional ones have arisen. BellSouth does not offer truly integratable pre-ordering and ordering interfaces, its reject rate remains far too high, it manually processes too many orders leading, in conjunction with other issues, to erroneous rejects, loss of dial tone for customers, and failure to return FOCs, rejects and completion notices on many orders, and it transmits inaccurate or incomplete line loss reports, wholesale bills and daily usage feeds. Underlying all of these problems is the fundamental difficulty of obtaining help from BellSouth. BellSouth has contracted out much of its OSS to third party vendors which makes it far more difficult to obtain help in resolving problems with the OSS. Moreover, BellSouth's flawed change management process precludes CLECs from obtaining needed changes with the OSS and allows BellSouth to make changes to its OSS systems (including billing systems) without notifying CLECs.

7. Both the Louisiana Commission and the Georgia Commission have recognized a number of important flaws with BellSouth's OSS and have ordered BellSouth to implement

systems changes to resolve these problems. Hopefully, BellSouth will do so. But BellSouth should have made these changes before, not after, applying for section 271 authorization. Moreover, BellSouth should have fixed other significant flaws in its OSS, and BellSouth should have made it far easier for CLECs to resolve problems and obtain needed changes in BellSouth's OSS. Fixing individual issues based on commission orders does nothing to ensure that CLECs will be able to resolve additional problems as they arise. Indeed, it sets the stage for ongoing litigation as CLECs find that the only way that they can get BellSouth to make needed changes or correct deficiencies is via commission order.

8. The KPMG test in Georgia does not show that BellSouth's OSS is acceptable. That test in fact revealed important defects in BellSouth's OSS that mirror the defects that WorldCom has found in production. The Florida test, which is more thorough and more recent than the Georgia test, has revealed even more problems. Indeed, almost all of the problems that WorldCom has experienced in production are also apparent in the Florida test.

9. BellSouth's performance, as measured by currently reported metrics, also does not support the claim that BellSouth provides nondiscriminatory access to OSS, nor do existing enforcement mechanisms, which rely on BellSouth's calculations of metrics, provide adequate incentives to ensure improvements in BellSouth's present inadequate service, or to ensure that any improvements would be maintained if this Commission were to grant the section 271 authorization sought through this application.

10. Finally, it is important to note that even if BellSouth's OSS were ready in Georgia, there is little reason to believe it is ready in Louisiana. BellSouth has little commercial experience in Louisiana; there has been no third party test in Louisiana, and there are enough differences between BellSouth's OSS in Georgia and Louisiana, that BellSouth cannot rely solely on its Georgia experience to show Louisiana OSS is ready.

BellSouth Does Not Provide Fully Integratable Pre-ordering and Ordering Interfaces

11. One of the primary reasons that this Commission rejected BellSouth's prior section

271 applications was that BellSouth failed to provide integratable pre-ordering/ordering interfaces. (South Carolina Order ¶ 155-66; Louisiana I Order ¶¶ 49-55; Louisiana II Order ¶¶ 96-103.) In response to each of those applications, MCI explained the importance of parsed Customer Service Records ("CSRs") in achieving integration and also enabling CLECs to import important information into their own systems. Each time BellSouth responded that it provided alternative means for CLECs to integrate pre-ordering and ordering interfaces. But the Commission properly found these means to be wanting.

12. BellSouth now again applies for section 271 approval. It still does not offer parsed CSRs, however. It again claims that CLECs are now able to integrate pre-order and order interfaces without parsed CSRs. But parsed CSRs are by far the most effective means of achieving pre-order/order integration. If the information on a CSR is fully parsed, CLECs can take that information and import it directly into their own back-end systems and also place the information directly into the requisite fields on an order.

13. Thus, for example, in the Verizon region, where MCI has access to parsed CSRs, MCI creates records for its own systems that include the customer's service address, billing address, directory listing address, the customer's name, existing features, and whether the customer is a residential or business customer without the need for any re-typing. In contrast, in Georgia, MCI types all of this information into its own systems (with the exception of the service address that we will discuss further below). Typing the information takes significant time and leads to typing errors.

14. Although CLECs have emphasized the need for parsed CSRs from at least 1997 onward, BellSouth has continually delayed implementation of parsed CSRs. The Georgia Commission has now ordered BellSouth to provide parsed CSRs in January 2002. There is no way to know whether BellSouth will meet that date without waiting to see. Even more important, it appears unlikely that BellSouth will provide parsed CSRs that meet the needs of CLECs. One of the excuses that BellSouth long provided for its failure to provide parsed CSRs quickly was the need to develop requirements in conjunction with CLECs. And BellSouth

eventually worked with CLECs to do so. But when BellSouth finally released draft user requirements on September 7, 2001, they were far different than those agreed upon in November 2000. BellSouth does not plan to provide Type of Service information on the parsed CSR, for example, information that indicates whether a line is a business, residential or coin line. This information is required on every order. Prior to September 2000, BellSouth never indicated to CLECs its intention to deviate from the November 2000 requirements. We have provided an MCI description of what is missing from the September 7, 2001 requirements as Attachment 1.

15. In the absence of parsed CSRs, CLECs cannot take the information on the CSR and use it directly to prepopulate an order. One alternative they have is to attempt to parse the information on the CSR themselves. This is quite difficult in general and is particularly difficult with respect to a customer's address, which contains many components that are not easily distinguished from each other.

16. Verizon early on recognized this difficulty and, in addition to offering parsed CSRs to CLECs, also enabled CLECs to place migration orders without submitting a service address. CLECs could place the order based on the customer's telephone number. Similarly, when CLECs suggested during the Texas section 271 process that migration by telephone number would be of significant assistance, SBC implemented this change relatively quickly. MCI has found this enhancement to be helpful in reducing its reject rate.

17. Years after Verizon and SWBT implemented ordering by telephone number, BellSouth continued to refuse to do so. The Georgia Commission has now ordered BellSouth to implement migration by telephone number, and BellSouth has now announced that it will do so, as ordered, on November 3, 2001.1 But BellSouth released documentation for this change only on Friday, October 19, 2001, making it difficult for CLECs to do the proper coding of their

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1 BellSouth asserts that migration by telephone number is a misnomer because CLECs must still submit the address but the BOC will then ignore the address. Stacy Aff. ¶ 264. (When we refer to the Stacy Aff., we are referring to the affidavit of William Stacy for Georgia.) In fact, migration by telephone number can be implemented without the need for CLECs to send an address.

interface to take advantage of this important change. Indeed, WorldCom's initial review of this documentation finds it to be unclear whether BellSouth will simply ignore the address that CLECs send (as does SWBT) or whether CLECs will be required to rewrite their interface to stop sending this data. In any case, it is unknown whether BellSouth will meet this date, whether BellSouth's enhancement will work properly as released, or whether this change will actually add to the manual handling of orders, given the unclear documentation.

18. If MCI has to remove the address from its LSRs, it will need documented business rules to prepare that coding and to determine if the address field should be blank or contain default characters, etc. Moreover, MCI will need to test its own implementation of these changes in the BellSouth CAVE environment to ensure that this change does not create new problems with the BellSouth OSS. Even with the documentation on October 19, BellSouth has not provided CLECs with adequate specificity. And BellSouth's CAVE environment is scheduled to be down until December.

19. In any event, even after BellSouth implements migration by telephone number, CLECs will need to be able to obtain parsed information from the CSR. BellSouth contends that it "provides CLECs with all the specifications necessary for integrating BellSouth's interfaces" and that CLECs therefore do not need parsed CSRs. Stacy Aff. ¶ 36; see also id. ¶ 220. BellSouth suggests that although it is unable to know for certain, it believes a number of CLECs including MCI have successfully integrated pre-ordering and ordering interfaces. Stacy Aff. ¶ 37. But BellSouth does not show that any CLECs have been able to integrate pre-ordering and ordering interfaces and achieve a reasonable reject percentage.

20. As for MCI's ostensible ability to integrate pre-ordering and ordering, to date MCI is submitting a very high proportion of UNE-P migration orders, not new installations. On these orders, MCI is able to obtain the service address through BellSouth's address validation function that dips into the Regional Street Address Guide ("RSAG") database. This address is provided in parsed format. The customer's name, however, is not provided in parsed format. MCI representatives therefore look at the customer's name on the CSR and, because it is not parsed,

type the name onto the orders. This forces MCI representatives to use two pre-order functions – address validation and CSR – when they should only have to use one. And if they make any errors in typing the name, the orders will be rejected. Of the 1,316 manually processed rejects that MCI received in September, 119 were for incorrect name and another 357 may have been for incorrect name. (The information on these rejects either did not distinguish between incorrect name and address or indicated that both were incorrect.)

21. Moreover, as noted above, MCI must type substantial additional information into its own systems such as the customer's directory listing and billing address because it does not have a parsed CSR. Much of this information is used on orders even if it is not always needed on initial UNE-P migration orders. The directory listing address, for example, is used on directory listing orders. It would be far easier for MCI to import this information into its systems and then make the changes the customer wants rather than starting fresh and risking typing errors. Other information, such as whether the customer is a residential or business customer, is required even on initial orders.

22. Finally, although BellSouth ostensibly provides a parsed service address with use of the address validation process, MCI continues to receive far too many address rejects as we discuss further below. Indeed, in Georgia, 21% of the rejects MCI has received on migration orders have been for incorrect name or address. (In September, for all order types MCI submitted, 16% of the automated rejects and 51% of the manually processed rejects MCI received were for invalid name or address (of which, 840 were for invalid address, 357 were for invalid address and/or name, and 119 were for invalid name). (Att. 2 (breakdown of September automated and manually processed rejects).) MCI should not be receiving address rejects if BellSouth is properly parsing the information in RSAG and then editing the orders MCI transmits against RSAG.[2] But BellSouth may not always be editing orders exclusively against

[2] MCI does make one change for some addresses when it takes the addresses from RSAG and populates an order. If an address includes an asterisk in the middle of the address, MCI's systems reject the order internally and MCI then manually removes the asterisk and submits the order. This is because MCI uses an asterisk as a delimiter in EDI and it would cause many systems problems to include it in the middle of an address. Moreover, MCI coded to

RSAG, however. One hundred of the 421 manual address rejects MCI received the week ending September 21 stated that the "LSR address does not match the CSR address." (emphasis added). (Att. 3 (example of such a reject)). Similarly, MCI looked at the August rejects in PMAP and found that 140 of these rejects involved a mismatch between the address and the CSR. This suggests that to avoid rejects MCI should be pulling the address from the CSR, not from RSAG, even though BellSouth had repeatedly told MCI that all address edits are made against RSAG, not the CSR. It also makes it difficult for MCI representatives correcting the reject to know whether to check the CSR or RSAG address. In any event, MCI would not have received any of these address rejects if BellSouth did not require addresses to be placed on migration orders.

23. There is no excuse for BellSouth's failure to offer parsed CSRs and migration by telephone number years after other BOCs have done so -- and three years after this Commission emphasized to BellSouth the importance of integratable interfaces.

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examples in BellSouth's EDI documentation which show that the asterisk is supposed to be used as a delimiter. Nonetheless, BellSouth has suggested that some of MCI's address rejects result from its removal of the asterisk. It has said that the asterisk is necessary to separate small and capital letters in a name such as Mc*Donalds. However, all of the rejects that MCI has received based on the asterisk issue have been manually processed. BellSouth's systems do not appear to require the asterisk. In fact, when MCI re-submitted several orders to evaluate the issue but did not add the asterisk, the orders were accepted by BellSouth's systems. MCI provided these examples to BellSouth which has not yet explained why this is so. Thus, BellSouth appears to be blaming rejects on MCI when the real issue is its own EDI documentation coupled with mistakes made by its representatives in processing the orders.

With some other address rejects, the cause of the rejects may be that MCI is typing in the address rather than pulling it from RSAG. When MCI service representatives are unable to access BellSouth's pre-order systems because either the front-end interface or the back-end systems are down, they sometimes type in the address with the risk that typing errors will lead to rejects. The problem here is that BellSouth's systems are unavailable too much of the time. In Florida, KPMG found that between March 13 and August 21, 2001, 9% of the pre-order queries it submitted into the same systems used in Georgia received the response that BellSouth was unable to process the transaction as a result of resource limitations. (Att. 4, Florida Exception 87). KPMG explained that, "KPMG Consulting's professional opinion is that the percentage of back-end resource limitation errors experienced during the time frame reference above is unacceptably high and could cause significant delays in processing of orders." Id. Although BellSouth may claim its performance metrics show adequate availability and response times, KPMG nonetheless found defective performance -- and MCI has similarly found it is often unable to access the address information it needs. Moreover, BellSouth acknowledges a flaw in its measure of pre-order response times (Stacy Aff. ¶¶ 552-53), and BellSouth's measure of interface availability (OSS-2) excludes degraded service, defined as "slow response time, loss of non-critical functionality, etc."

BellSouth Rejects Too Many Orders [3]

24. BellSouth rejects far too many MCI orders, far more than are rejected by other BOCs. MCI's data show that BellSouth rejected 24.0% of MCI's transactions for simple UNE-P migrations in May, 24.9% in June, 28.3% in July and 26.2% in August.[4] In contrast, the reject rate on migration orders in the other states MCI has entered is far lower. The reject rate on MCI's UNE-P migration orders in Michigan from January through August 2001 was 10.6%, 11.6% in Illinois, 11.9% in Pennsylvania, 14.6% in Texas, and 17.9% in New York (where a systems problem temporarily increased the reject rate for three months significantly above normal levels).[5]

25. The rejection of orders significantly delays completion of these orders. It also causes CLECs to expend significant effort working to correct and re-transmit rejected orders. Of course, if the order is rejected a second time, completion of the order is delayed even further.

26. BellSouth contends that its reject rate is acceptable. It suggests that the rate is lower than MCI indicates and that the high reject rate is the fault of CLECs. But whatever explains the discrepancy between BellSouth's data and MCI's data,[6] MCI's data comparing its reject rate in

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3 MCI uses the term reject to encompass all orders returned to CLECs – whether so-called fatal rejects that cannot be corrected or so-called "clarifications" that can be corrected and re-submitted to BellSouth.

4 Because almost all of the orders MCI has submitted to date in Georgia have been migration orders, the overall reject rate MCI has experienced in Georgia is almost identical to that for migration orders: 24.0% in May, 24.9% in June, 27.2% in July, and 26.0% in August.

5 BellSouth also returns rejects belatedly on UNE-P orders. BellSouth acknowledged that in Georgia in July it returned only 74% of rejects for UNE-P orders within one hour. Stacy Aff. ¶ 475. In contrast, in Louisiana, where BellSouth processes far fewer UNE-P orders, BellSouth's returned 96% of UNE-P rejects within one hour. Moreover, in Florida, KPMG found that BellSouth does not properly construct the data used to measure FOC and reject timeliness. (Att. 4, Florida Exception 36.) KPMG found similar problems in Georgia. (MTP O&P 7-1-3, 7-2-3, 7-3-3).

6 BellSouth claims that its overall reject rate on UNE-P orders for CLECs was 13.3% in July. (PM Ex. 4 (0-7)). It states that the overall reject rate for CLECs submitting the largest volume of orders between May and July had reject rates ranging from 3% to 17%. Stacy Aff. ¶ 110. BellSouth's PMAP data for MCI specifically also appear to shows reject levels significantly below MCI's own data. BellSouth's August data, for example, show MCI's reject rate on UNE-P orders as 19.29%, with 7,650 out of 39,652 transactions rejected. This is both a significantly smaller number of rejects than WorldCom's data show and a somewhat higher number of transactions. It may be that part of the reason for the discrepancy is that BellSouth excludes fatal rejects from its count of rejects (and from its count of LSRs submitted). BellSouth's PMAP data show that MCI had 6,709 fatal rejects in August. If these are added

different states is based on a consistent methodology in those different states.[7] Thus, there is no doubt that MCI's reject rate on UNE-P migration orders in Georgia is almost twice that in the other states it has entered even though MCI is using the same processes to transmit orders in each of these states. Thus, BellSouth is the cause of the high reject rate by its systems and representatives.[8]

27. Several aspects of BellSouth's OSS contribute to the high reject rate. As explained above, other BOCs do not require addresses to be submitted on UNE-P migration orders and may also provide parsed CSRs. BellSouth does neither. As a result, MCI receives a high number of rejects for incorrect addresses on migration orders in Georgia but not in other states. Indeed, as explained above, 21% of the total rejects on migration orders have been for incorrect name or address and the rejection rate for addresses is even higher on new installations. (Att. 5 (reject breakdown for migrations and all orders for June, July, August and September).)

28. In addition to rejects caused by BellSouth systems requirements with respect to addresses, BellSouth rejected many orders as a result of a particular policy it has had with respect to rejected orders. Until October 6, BellSouth cancelled rejected orders in ten days if they were not corrected and re-transmitted in that time. We will discuss that policy further below. But the reason this policy caused rejects is that CLECs that attempted to correct and re-transmit a rejected order were often unaware exactly when the ten day clock would run out -- or the re-transmitted order would take some period of time to reach BellSouth (as a result of BellSouth's

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into BellSouth's count of LSRs and of rejects, this would increase the reject rate up to 30.97% – close to, but somewhat higher than the rate shown by MCI's own data. However, we doubt that fatal rejects are the real explanation for the data discrepancy because the rejects MCI is receiving do not appear to be fatal rejects. Of course, this leaves open the question of why PMAP shows 6,709 fatal rejects.

7 KPMG's evaluation of BellSouth's data on percent rejects was incomplete as a result of discrepancies KPMG found in time stamps that it evaluated. Georgia MTP O&P 7-1-3.

8 BellSouth contends it will offer CLECs an action plan to reduce their rejects. Stacy Aff. ¶ 111. But MCI has been asking since it first launched for BellSouth to provide an explanation of the reasons its orders were being manually processed and/or rejected. It was only in September that BellSouth provided explanations based on a sample of 89 orders. As we discuss below, the explanation generally was BellSouth errors or system design.

use of a Value Added Network ("VAN") that we will also discuss further below). About 7% of MCI's rejects in September (8% of the rejects on migration orders) were because the order had "aged off" in BellSouth's systems. (The figure was 8% in June, 18% in July and 5% in August. (Att 5.)) Thus, BellSouth's policy of canceling rejected orders in ten days itself caused a significant number of rejects. Hopefully, BellSouth's new policy – which was ordered by the Georgia Commission – will reduce MCI's reject rate. But BellSouth should have implemented this change before applying for section 271 authorization and waited to see the effects of the change.

29. BellSouth also continues to reject some orders for reasons that are simply erroneous. For example, BellSouth continues to reject a number of orders because the end user name on the order does not match the directory listing name in BellSouth's database even though it is acceptable for the listed name to be different from the service name and MCI has specified that the directory listing should remain "as is." Instead, BellSouth representatives manually reject the order, because apparently they have decided that MCI made an error on the LSR. In MCI's analysis of 771 manually processed rejects it received in the week of September 21, 11 orders were rejected with the statement "ERL is invalid," which indicates the listed name does not match the service name on the LSR. Six additional orders were rejected because the orders had already been completed despite BellSouth's earlier transmission of rejects to MCI. In September as a whole, 1.9% of the rejects MCI received (5% of the manually processed rejects) were invalid rejects for reasons such as these. (Atts. 3, 5.) Another 11% of the manually processed rejects needed further research because WorldCom could not determine the cause of the reject.

30. Like MCI, KPMG experienced problems with erroneous rejects during its Georgia test. Georgia MTP O&P 1-4-2, 2-4-2, Georgia STP PO&P 11-4-4, Stacy Aff. ¶¶ 497-505. Eighteen percent of the manually processed rejects it received during re-test activities were erroneous and others did not contain clear error descriptions. Georgia MTP O&P 1-4-2. KPMG did not perform an additional re-test to determine whether this problem had been fixed.

31. Finally, BellSouth rejects some orders with the designation "assignable order." In September, 1% of the rejects MCI received on migration orders (and 15% of the rejects on the relatively few new installation orders MCI submitted) were for "assignable order." When MCI asked BellSouth what "assignable order" meant, BellSouth responded that this is a "message sent by BellSouth's electronic system acknowledging that a service order has been issued and is in a hold status for manual review." (Att. 6, Letter from Pamela Reynolds to Amanda Hill, October 1, 2001.) If this is the case, BellSouth should not then send a reject message to the CLEC in which the CLEC is expected to clarify its order and re-transmit it.

32. As was true for CLECs in 1997 and 1998, BellSouth's high reject level causes significant problems for MCI and its customers and substantially increases our costs. BellSouth must adopt the systems fixes that will enable it to reduce this rate substantially.

BellSouth Should Use Interactive Agent

33. BellSouth is the only BOC that processes MCI's platform EDI orders through a VAN. A VAN essentially creates a stopping point between the CLECs and BellSouth. Because BellSouth uses a VAN, MCI must use its own third-party VAN provider to link to BellSouth's VAN provider, a company called Peregrine. Thus, orders transmitted from the CLECs to BellSouth and acknowledgments, firm order confirmations and other notifiers from BellSouth to the CLECs must pass through the VAN. Orders and notifiers are often delayed significantly in the VAN and may even be lost altogether. In fact, one cause of the missing notifier problem that we discuss below is that notifiers are being lost in the VAN; BellSouth believes it has transmitted the notifiers but they never reach MCI.

34. Delays caused by BellSouth's use of a VAN are not captured by BellSouth's performance measures. BellSouth measures the timeliness of its notifiers based on when they leave "EDI Central," before they reach the VAN. (Att. 7, Deposition of William Stacy, September 28, 2001 ("Stacy Dep.") at 227-28.)[9] If the notifier leaves BellSouth on time, it

9 Indeed, BellSouth is currently time stamping some notifiers in its LEO system, before they even reach EDI Central.

counts as on time in BellSouth's performance measures even if it sits in the VAN for days before reaching the CLEC. BellSouth's measures based on completeness of notifications provided to CLECs also will be satisfied even if notifiers remain "stuck" in the VAN.

35. Moreover, the very possibility that orders or notifiers can become lost in the VAN creates difficulties for CLECs. If MCI is missing a notifier and asks BellSouth to trace the notifier, BellSouth must look not only in its own systems but must also determine whether the notifier is stuck in the VAN. Because transactions are sent through the VAN in batches, entire batches must be searched rather than simply looking for individual notifiers. And the VAN does not have a log file; after seven days the record of transactions in the VAN disappears.

36. BellSouth's OSS witness Mr. Stacy has acknowledged that "a VAN was set up primarily for occasional or intermittent or low-volume connection requirements." (Stacy Dep. at 163-64.) Because of the inherent difficulties with use of a VAN, it is not a desirable means of connection for CLECs such as MCI that are transmitting thousands of orders per week.

37. In his September 28 deposition, Mr. Stacy has suggested that instead of using a VAN, larger CLECs should use BellSouth's "Connect Direct." (Stacy Dep. at 163-64). But BellSouth has never before suggested this to MCI and none of its documentation indicates that high volume CLECs should use Connect Direct. Moreover, Connect Direct is a proprietary interface, created by a third-party vendor, that is not the method chosen by the industry for transmission of high volumes of EDI transactions. Like transmission through a VAN, Connect Direct is a batch process, and there is no reason to believe it would work any better than the VAN.

38. The industry has chosen EDI TCP/IP/SSL3 – Interactive Agent as the method for submitting high volumes of orders in a competitive production environment. With other BOCs, MCI submits its orders using Interactive Agent directly to the BOC and receives acknowledgments, firm order confirmations and other notices directly back from the BOC. Interactive Agent allows CLEC to send orders individually, rather than in batches, and has a log

file that allows parties rapidly to search for missing orders or notifiers. Indeed, because of the advantages of Interactive Agent, Verizon sponsored seminars introducing it to CLECs and encouraging them to move to this ordering method.

39. BellSouth acknowledges that MCI submitted change request CR0186 to the change control process ("CCP") on September 26, 2000 requesting Interactive Agent but states that development is currently on hold because CLECs prioritized that request 21st out of 36 change requests at the April 25, 2001 meeting. However, BellSouth neglects to state that between September 2000 and April 2001 it failed even to put the change request before CLECs to prioritize at all. This is evidence of a flaw in the change management process that will be discussed further below. Moreover, the fact that CLECs ranked CR0186 21st on the priority list in April 2001 does not indicate that it is not important, only that those CLECs that do not use EDI for ordering – or place small volumes of orders – do not need Interactive Agent. For high volume CLECs such as MCI, Interactive Agent is extremely important. And if BellSouth implemented even six CLEC requests per quarter, a change request ranked 21st would be implemented.

40. In any event, BellSouth should not be able to avoid responsibility for implementing Interactive Agent simply by pointing to change management – especially since BellSouth makes few changes and even delays implementation of change requests CLECs have ranked at the top of the priority lists.

Loss of Dial Tone

41. Through September 23, 2001, 1,988 MCI customers in Georgia reported a loss of dial tone (or in some cases the inability to receive calls) on their lines – 3% of MCI's customers. Five hundred thirty six of these customers lost dial tone within 10 days of migration, and 1,214 lost dial tone within 30 days of migration. (Att. 8 (lost dial tone list).) In each case, the customer who lost dial tone had working phone service before being migrated to MCI and then lost dial tone after migration. It is highly unlikely that this many customers would have lost dial tone shortly after migration if BellSouth's migration process were working as it should be. Other

CLECs, including AT&T, IDS, NewSouth, Birch and Network Telecom also have complained about loss of dial tone, including during UNE-P user group meetings beginning in May 2001.

42. This problem appears to be getting worse as our daily sales volumes increase. In May, there were 11 trouble tickets closed for loss of dial tone (or the inability to receive calls); in June, there were 150; in July, there were 419; in August, there were 639, and in September (for customers who had called in by September 23), there were 771 (four tickets remained open as of the time of reporting). The impact of lost dial tone on customer convenience and safety is obvious. Moreover, of the customers who have lost dial tone, 8% have left MCI according to the line loss reports we receive – many shortly after losing dial tone. Indeed, in some instances, the notes from the BellSouth technicians on the trouble tickets MCI submitted states that the customers left MCI before the technician even had the chance to investigate the trouble. (As an aside, it is worth noting that in approximately 1/3 of the cases in which the technician made such a note, MCI never received a loss notification suggesting that the percentage of customers with lost dial tone that have left MCI may be significantly higher than 8%.) (Att. 8.)

43. Flaws in BellSouth's migration process are almost certainly responsible for much of the lost dial tone. Ordinarily, a very small percentage of customers lose dial tone – far fewer than the 3% that have lost dial tone since MCI entered the Georgia market in May.[10] A UNE-P migration should never cause a loss of dial tone as there is no need to disconnect the customer.

44. BellSouth has acknowledged that one reason MCI customers are losing dial tone is the two-service-order process it uses to process migrations. BellSouth's process uses a "D" order to disconnect the customer's old service and an "N" order to establish new service with the CLEC. Stacy Aff. ¶ 263. If those orders are not related and properly sequenced through the entry of specific codes by the BellSouth systems – or, for manually processed orders, by the BellSouth service representative – the customer may lose dial tone.

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10 MCI has asked BellSouth how many of its retail customers lose dial tone in a given period of time. BellSouth initially told MCI that this information was in PMAP but, when MCI could not find the information, later told MCI it would not provide the information.

45. Indeed, as BellSouth witness Ronald Pate acknowledged, the N and D order must be correctly sequenced when they (1) reach the Loop Facility Assignment Control System ("LFACs"); (2) reach the switch; (3) reach the Service Order Control System ("SOCS"), and (4) reach the Customer Record Information system ("CRIS"). Pate Alabama Testimony at 939-45. At any of these stages, if the orders are not properly sequenced, "the potential exists for them to lose dial tone." Pate Alabama Testimony at 945. See also Pate Alabama Testimony at 933-34. The sequencing of the N and D orders can be incorrect if they don't include the proper "RRSO FID," the code used to relate the orders. Pate Alabama Testimony at 935-940. The possibility that the RRSO FID will not be placed on the N and D orders is particularly high when an LSR falls out for manual intervention. In that case, the RRSO FID must be placed on the N and D orders manually and humans inevitably make mistakes. As BellSouth's witness explained, "as long as you have someone touch it, there is always the potential for human error." Pate Alabama Testimony at 36; see also id. at 46-47.

46. BellSouth has confirmed that 10 out of a sample of 140 loss of dial tone cases it reviewed resulted from the two order process. Nonetheless, BellSouth has attempted to minimize the problem by stating that in 70 of the cases, BellSouth tested the line and found no trouble, found an end user problem, or found the problem was caused by the customer's inside wiring. In 60 other cases, BellSouth claims the problem was unrelated to the customer's migration to MCI and would have happened in any event. An analysis of BellSouth disposition codes on trouble tickets MCI has submitted shows similar results. BellSouth generally claims the loss of dial tone did not exist when BellSouth tested the line or that the trouble was caused by defective wire pairs or other problems. (Att. 8.) But the fact that in some cases the customer's dial tone was restored by the time BellSouth tested the line does not mean that the customer never lost dial tone; indeed, it is very unlikely that the customer called MCI to report a non-existent problem. It is much more likely that the lost dial tone caused by processing of the D order was later restored by processing of the N order. Indeed, in one case (404-767-2774), the BellSouth closure report stated "tested OK, came clear" even though the Account Team later told

us that this customer lost dial tone as a result of the BellSouth two-order process. As for BellSouth's claim that many of these customers would have lost dial tone in any event as a result of inside wiring or other problems, it strains credulity to believe that so many customers would suddenly experience problems with their inside wiring or cable pairs shortly after migrating to MCI. If the two service-order process is not the cause, it is likely that some other aspect of BellSouth's migration process is.

47. The significant problem MCI is experiencing with lost dial tone does not appear to be captured in BellSouth's performance measures. BellSouth measures "the first trouble report from a service order after completion." Ex. PM-1 (P-9). If the N order has not completed, however, and the D order disconnects the customer, the CLEC trouble report will not actually occur "after completion" and thus may not appear at all in BellSouth's performance reports. Or worse – it may appear in BellSouth's retail trouble reports because BellSouth believes the customer is still its customer – and thus skew the parity standard. This is the LMOS problem that held up the SBC Missouri application.

48. Moreover, even if BellSouth associated the trouble report with the CLEC that submitted it, BellSouth often would exclude the report from its measure. BellSouth excludes from its measurement troubles it classifies as caused by customer premises equipment – without any way for the CLECs to know that BellSouth had concluded that a particular instance of dial tone loss was caused by customer premise equipment, or to verify that BellSouth's assessment is accurate. Ex. PM-1 (P-9). Unlike Verizon or SWBT, BellSouth has refused even to report on the number of troubles it excludes in this category, so that CLECs can ask for the raw data if the numbers seem unusually high. Nor does BellSouth report data that would allow calculation of the comparable number of reports of dial tone loss among retail users that are attributed to customer premises equipment, or which are otherwise resolved without any repair. Finally, it is important to note that KPMG opened Exceptions 86.1 and 89.9 in Georgia (Georgia STP (PMR4-13-1, 5-11-2)) and Exception 27 in Florida (Att. 4) regarding the accuracy of BellSouth's measure of provisioning troubles within 30 days, and these issues have not been retested. (Stacy

Aff. ¶¶ 561-63). In Florida, KPMG concluded that "KPMG Consulting's inability to replicate report values signifies that the accuracy of BellSouth's calculations for the SQM may be in question. Without accurate SQMs, CLECs might not be able to assess the quality of service received or plan for future business activities reliably." (Att. 4, Florida Exception 27.)

49. BellSouth must reduce the significant number of customers losing dial tone after UNE-P migrations. There is no reason that so many customers should be losing dial tone after such migrations. The solution may be to eliminate the two order process. Indeed, in 1998 BellSouth had a two service order process for resale that, like its present UNE-P process, used both an N and a D order. That process caused a loss of dial tone for customers, which MCI found in testing. After MCI filed a complaint with the Georgia Commission, BellSouth moved to a single order process for resale because "disconnects were a necessary albeit unfortunate side effect of BST's old customer migration system." (Att. 10, Georgia Commission Order in Docket No. 6865-U, December 28, 1998, pp. 19-21.)

50. BellSouth should have moved to a single order process for UNE-P as well but chose not to do so. Both the Louisiana and Georgia Commissions have now ordered BellSouth to move to a single order process. Indeed, the Georgia Commission has ordered BellSouth to move to a single order process by January 5, 2002. There is no way ahead of time to assess whether BellSouth will succeed in making this change, and BellSouth is already claiming that it cannot implement the change by January. Moreover, it may be that even after the change, too many CLEC customers will continue to lose dial tone. Until BellSouth manages to reduce the lost dial tone, its systems cannot be found adequate.

BellSouth Relies On Too Much Manual Processing

51. BellSouth processes too many orders manually in Georgia and Louisiana. Manual processing of orders inevitably results in delays and errors. Indeed, BellSouth has attributed much of its deficient performance to manual mistakes. For example, BellSouth has attributed loss of dial tone to manual errors in placing the RRSO code on N and D orders. It has attributed unclear error messages on rejects, as well as erroneous rejects, to manual errors. Thus, in

explaining erroneous rejection of three hundred of MCI's initial orders, BellSouth witness Ainsworth said that "this issue was a simple case of what happens when humans are involved. They make mistakes." (Att. 11, Ainsworth Alabama Rebuttal Testimony at 23). MCI's own analysis shows that 5% of the manually processed rejects it received in September were erroneous and another 11% required further research because the cause of the rejection was unclear.

52. As BellSouth acknowledges, KPMG, in its Georgia test, found 10 not satisfied observations for manually processed (partially-mechanized) orders related to accuracy and timeliness. Stacy Aff. ¶¶ 480, 573. For example, as noted above, manual errors led to return of inaccurate and belated FOCs and rejects and also led to failure to return completion notices altogether. Georgia MTP O&P 1-4-2 (erroneous rejects), 2-4-2 (erroneous rejects); Georgia MTP O&P 1-2-1 (failure to return completion notices), 2-2-1 (failure to return completion notices); Georgia STP PO&P 11-3-3B (belated return of rejects), 11-4-3 (inaccurate and incomplete FOCs) and 11-4-4 (inaccurate error messages). It also led to inaccurately provisioned orders. Georgia MTP 5-2-1. Contrary to BellSouth's suggestion, Stacy Aff. ¶¶ 445, 515, inaccurate provisioning of a customer's long distance carrier significantly harms both the customer and the long distance carrier that was supposed to receive the customer's business. BellSouth's own analysis of the completion notices that KPMG failed to receive during the Georgia test further demonstrates the errors caused by manual processing. Stacy Aff. ¶¶ 490-94.

53. The FCC has found a "direct correlation between the evidence of order flow-through and the BOC's ability to provide competing carriers with nondiscriminatory access to the BOC's OSS functions." Louisiana II Order ¶ 107. Although the Commission has approved section 271 applications in other states with less than perfect flow through, it has done so because significant commercial experience in those states (or in other states in the same region) showed that the BOC was capable of handling increasing order volumes with existing levels of manual processing. BellSouth cannot make such a showing in Georgia where manual processing is leading to significant problems. Nor can it make such a showing in Louisiana where it has

almost no experience in provisioning UNE-P to residential customers -- especially given the evidence from Georgia that BellSouth's manual processes continue to lead to significant errors.

54. To begin with, we note that BellSouth manually processes far too many of the orders that it ultimately rejects. In June, BellSouth rejected 10,895 mechanized UNE-P orders according to its own data of which it processed 6,388 rejects manually. Ex. PM-3 (O-8). In July, BellSouth rejected 10,891 mechanized UNE-P orders of which it processed 5,711 manually. Ex. PM-4 (O-8). Thus, far too many of BellSouth's edits are based on manual evaluation by service representatives. This is important. The performance benchmark for timeliness of manually processed rejects is far more lenient than for automated rejects. BellSouth must return 97% of mechanized rejects in an hour or less but must return only 85% of manually processed rejects within 10 hours. (O-8). Moreover, with manually processed rejects, unlike mechanized rejects, non-business hours – including weekends – do not count in the measurement.[11] Even more important, as noted above, manual processing of orders often leads to erroneous rejection of orders and to descriptions of reject causes that are difficult for the CLEC to interpret. All of the September rejects that MCI received that it knows to be erroneous – and all of the rejects that MCI has had difficulty discerning – were manually processed.

55. In addition, BellSouth manually processes far too many of the UNE-P orders it ultimately accepts and provisions – all of which should flow through. BellSouth acknowledges that in May through July 2001, only 47 to 56% of its UNE orders flowed through. Stacy Aff. ¶ 299. (It does not provide specific data for UNE-P.) In June, the achieved flow through rate was 57.41% on UNE orders; in July, the achieved flow through rate was 64.34% on UNE orders.[12] PM Exs. 3, 4. BellSouth's flow through rate should be particularly high because

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11 The benchmark for FOCs for partially mechanized orders is equally low – 85% must be returned in 10 business hours. In states in which the FCC has approved section 271 applications there has been no difference in the FOC benchmark for mechanized and partially mechanized orders.

12 Achieved flow through in the BellSouth region does not mean the same thing as in the Verizon region. BellSouth defines achieved flow-through to measure all orders that fall out – except for orders returned to CLECs for clarification, orders containing CLEC errors, supplemental orders when an order is pending or orders that are rejected (either electronically or after falling to manual) and orders that are the subject of supplements during

MCI's UNE-P orders constitute a relatively high percentage of BellSouth's UNE orders Moreover, unlike in other states, MCI is submitting almost no new installation orders, which generally flow through at a lower rate than migration orders.[13]

56. KPMG has also found issues with BellSouth's flow-through. In Florida, KPMG opened Exception 86 on August 15, 2001, Exception 99 on August 28, 2001 and Exception 107 on August 29, 2001 because BellSouth was manually processing orders designed to flow through before returning a FOC or a reject. (Att. 4, Florida Exceptions 86, 99, 107). Exception 86 lists 126 orders that should have flowed through but did not. Moreover, KPMG found that it could not replicate BellSouth's values for ordering percent flow through requests. (Att. 4, Fl. Observation 68.)

57. Indeed, BellSouth should not be able to rely on any of its flow through numbers as a basis for claiming its flow through performance is adequate. BellSouth's flow-through numbers are completely untrustworthy. BellSouth recently revised MCI's flow through percentages for June and July by re-categorizing many LSRs that it originally categorized as designed fall out as CLEC-caused error. Thus, these LSRs no longer are considered LSRs that did not flow through. We have no reason to trust BellSouth's revisions and indeed do not trust BellSouth's flow through data generally. Moreover, BellSouth's revisions (and its flow through data generally) rely on the following premise: if an order falls out because of a BellSouth system error but the BellSouth representative then finds what he or she believes is some other error on the order, such as an address error, then BellSouth categorizes the order as CLEC-caused fallout. Thus, for example, if an MCI order falls out because the BellSouth retail customer had call forwarding – a

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processing. Unlike its flow-through measure, BellSouth's achieved flow-through measure includes the fraction of orders that fail to flow through because BellSouth's systems are not designed to mechanically process the order, so fallout is "planned manual."

13 In fact, BellSouth's systems do not presently flow through any new installation orders where there was no prior service at the address. (Stacy Aff. ¶ 324.) Interestingly, BellSouth has now told MCI to put a FID on new installation orders to state whether there is service already there but BellSouth's documentation suggests the FID is actually prohibited.

problem we will discuss below – but the representative then finds an address error on the order, the order is not counted against BellSouth's flow through performance. And this is so even if the address "error" would not in fact have caused the order to drop out of BellSouth's systems.

58. We recently discovered what appears to be an even more important flaw in BellSouth's flow through numbers. As we discuss below, BellSouth recently analyzed MCI orders that had been manually processed and provided an explanation of why those orders had been manually processed. (Att. 12 (spreadsheet of orders).) We took three of those orders that clearly fell out as a result of BellSouth-caused errors and looked them up in PMAP.[14] What we found is that each of these orders was considered to flow through in BellSouth's metrics even though BellSouth acknowledged manually processing these orders! BellSouth's Flowthrough Logic (Att. 21) in PMAP states that an order is counted as flowing through if PMAP does not have codes showing the order to be a fatal reject, an auto clarification, or a planned manual order, and if it contains the codes "FOC STAGED FOR LSR" or "FOC AND CN STAGED FOR LSR" and "ORDER NUM" or "INFO ORDER" or "CANCELLED." Each of the three orders met these conditions. (Att. 22 (PMAP data on three orders).)

59. Although we are unsure why BellSouth considered these orders to flow through, what we presume is that these orders fell out for manual processing after BellSouth had already issued a FOC on these orders. The errors that caused these orders to fall out involved failures in LESOG. In two instances LESOG issued orders for "Ringmaster" service and these orders failed; in another instance LESOG incorrectly issued duplicate orders. If orders that do not flow through for basic systems errors such as these are counted as flow through, BellSouth's flow-through numbers are largely worthless.

60. Another reason that we do not trust BellSouth's flow through data and believe far more orders actually fall out is that we know that important order types do not flow through. The exclusions in BellSouth's flow-through measure (O-3 (in Ex. PM-1)) specify certain orders that

14 Many of the orders that BellSouth analyzed were from September and thus the data is not yet available for these orders in PMAP. We chose 3 of the earliest orders from August that were clearly BellSouth system errors.

are not designed to flow-through. These include complex orders (including hunting MLH), special pricing plans, pending order review required, CSR inaccuracies such as invalid or missing CSR data in CRIS, some partial migrations, transfer of calls option to the CLEC end user, new telephone numbers not posted to BOCRIS, and LSRs in "Z status" (LSRs that receive a supplemental LSR submission prior to final disposition of the original LSR). The importance of some of these order types – partial migrations and supplemental orders – has long been apparent. Others also cause a substantial amount of manual processing. In addition, there are important orders types designed to fall out that are not included on BellSouth's list.

61. As we discussed above, MCI asked BellSouth to undertake the examination of 100 manually processed orders in early June, shortly after launch, to determine why these orders fell out. BellSouth did not even begin this review until September. In September, BellSouth finally did analyze 89 randomly selected MCI UNE-P orders to determine why they fell out. (Att. 12 (spreadsheet from BellSouth meeting.)) Of these orders, there were 18 that fell out as a result of address errors. BellSouth would categorize these errors as MCI errors and thus would exclude them from its flow-through analysis – even though it is BellSouth's systems requirements that force MCI to transmit addresses. Even setting aside the address issue, however, more than 50 of 89 orders fell out as a result of BellSouth issues. Fourteen orders fell out because BellSouth was unable to recognize requests for second lines and instead believed these requests might be duplicate orders, nine fell out because the customer had voice mail or call forwarding, six fell out because the customer had an installation costs installment plan, eight fell out as a result of various BellSouth systems issues, eight fell out because of "planned fallout – Sup on RRSO" (BellSouth is researching this issue to see where this is described in BellSouth's documents as planned fallout); six fell out because the service orders were not posting correctly, which BellSouth said is planned manual; one order fell out because the BellSouth representative copied an incorrect zip code from the CSR; one fell out because of a BellSouth promotion; one fell out because there was a pending winback order from BellSouth even though MCI has not received a loss notification on that line. (In and of itself, this is a significant problem because BellSouth

should not be winning back customers before it has even processed the CLEC's order. In late July 2001, the Georgia commission, in a temporary order, prohibited BellSouth from contacting the customer for seven days following a change in service providers. Proceedings concerning this problem are continuing.) Thus, 54 of the 89 orders that fell out for manual processing did so as a result of BellSouth errors or planned fallout on simple orders. (Att. 12.)

62. This list emphasizes that even very basic UNE-P orders are often considered designed fall out by BellSouth – whether or not they fall within the categories that BellSouth previously has indicated are considered designed fallout. The six orders that fell out because the retail customer had an installation pricing plan, in which the customer had purchased retail service from BellSouth and agreed to pay installation costs by installment, as well as the order that fell out because of a BellSouth promotion, likely fall into BellSouth's category of special pricing plans. The eight orders that fell out because of "planned fallout - Sup on RRSO" are considered planned fallout, even though they are not specifically listed as planned fallout in the exclusions on the flow-through metric. The six orders that fell out because the service orders were not posting correctly are also considered planned fall out by BellSouth – they may fall within the category of pending order review required. The order that fell out because of a pending BellSouth winback order is also considered planned manual. Thus, much of the fall out in BellSouth's systems is attributable to planned fall out of basic UNE-P orders.

63. It is clear that all of these basic UNE-P orders should flow through. It is unacceptable for basic UNE-P migration orders to fall out for manual processing because the BellSouth retail customer had call forwarding or voice mail, for example – two very common types of features. Worse, in his recent deposition, Mr. Stacy indicated that if a BellSouth retail customer has enhanced voice mail, or has DSL, a CLEC cannot even order service for that customer – the order will drop out and be rejected and there is no way to fix the problem unless the customer first calls BellSouth and removes enhanced voice mail or DSL from his line. (Att. 7, Stacy Dep. at 199-201.)

64. Moreover, MCI did not even learn that orders with voice mail or call forwarding

would drop out until late August, when BellSouth's Account Team told MCI that some of our LSRs are falling out because the customer has call forwarding or voice mail on his or her retail account, and therefore a specific field identifier (FID) must be added to the disconnect order to remove those features.[15] None of BellSouth's prior documentation on orders designed to fall out had indicated that orders for customers with call forwarding or voice mail would fall out. See, e.g., OSS Ex. 61 (listing reasons for manual fall out but not including call forwarding). This suggests the potential existence of many types of orders that have been designed to fall out for manual processing but that BellSouth has not revealed to CLECs.

65. Finally, the letter BellSouth transmitted on October 1 (Att. 6) that discussed two orders that fell out because they had voice mail and/or call forwarding demonstrates some of the problems manual processing can cause. (BellSouth later transmitted an e-mail discussing a third order that involved similar problems. (Att. 13.) After both LSRs (actually the D and the N orders generated from the LSRs) fell out for manual processing, the service representatives then checked the service orders to determine whether there were errors on the orders. In both cases, the service representatives rejected the orders because the customer's name did not exactly match the directory listing name listed on the CSR. For the second LSR, for example, the order was for "Phil" but the CSR said the directory listing was for "Phillip"). This, however, is an invalid reason to reject an order because there is no reason to expect the directory listing to match the name on the order. And MCI ordered the directory listing "as is" in the first place.

66. In addition to rejecting the orders incorrectly, the representatives compounded their errors by making a second mistake. Apparently, when an LSR falls out for manual processing, the representatives must cancel the original N and D orders if they reject the LSR. The

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15 It remained somewhat unclear after this whether orders with call forwarding did actually fall out. BellSouth's affiant here, William Stacy, denied in a September 28 deposition that call forwarding would cause an order to drop out for manual processing. (Att. 7, Stacy Dep. at 194-96.) But just days later, on October 1, a BellSouth letter responding to MCI queries regarding two specific orders made clear that orders for retail customers with call forwarding will fall out for manual processing. (Att. 6, Letter from Pamela Reynolds to Amanda Hill, October 1, 2001).

representatives did not do so for the two LSRs in question. Thus, even though the representatives transmitted reject messages to MCI, the N and D orders completed. BellSouth did not then transmit completion notices, however, because some of BellSouth's systems still viewed the orders as having been rejected. MCI therefore continued to believe the orders had been rejected and that it needed to determine why the orders had been rejected and to clarify the orders.

67. BellSouth must ensure that almost all basic UNE-P orders flow through before it obtains section 271 authorization. Its current high level of manual processing is causing too many delays and errors.

68. Provisions of the enforcement mechanism will not induce BellSouth to improve its flow-through performance in at least one dimension that is crucial to a CLEC's ability to compete. While BellSouth's Percent Flow Through measure (0-4) receives Tier I treatment, the Percent Flow Through measure excludes from consideration orders which do not flow through because BellSouth has planned for these orders to be handled manually. BellSouth's Percent Achieved Flow Through measure comes closer to capturing the CLEC's immediate experience of BellSouth's ordering OSS; it calculates the percentage of accurately placed orders that can be expected to flow through – excluding CLEC errors but not excluding orders BellSouth plans to handle manually. But there are no penalties associated with this measure. BellSouth's current planned manual handling of such a large fraction of orders imposes a substantial cost on competitors, and is not addressed by incentives created by the Self-Executing Enforcement Mechanism ("SEEM").[16]

Missing Notifiers

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16 This is in sharp contrast to the Verizon New York Performance Assurance Plan (PAP), which levies a large remedy payment of $2.5 million per quarter if neither an 80% Flow-Through Total (similar to BellSouth's Achieved Flow Through Calculation with no standard) or 95% for Percent Flow Through (Similar to BellSouth's Percent Flow Through Metric in that Orders not designed to flow through are excluded). BellSouth's standards for the latter metric only match the 95% standard for resale, but no other disaggregated product. When an ILEC is only measuring what it represents to CLECs should flow through, even 95% standard is generous.

69. As was the case in New York and Pennsylvania, MCI has a significant problem in Georgia with missing notifiers -- FOCs, rejects, and completion notices that BellSouth simply fails to return. In New York and Pennsylvania, Verizon worked to minimize the problem and eventually succeeded. In Georgia, however, BellSouth has yet to take the steps needed to resolve the problem. Thus, MCI is extremely concerned that the problem will escalate significantly as ordering volumes increase. Missing notifiers are already causing substantial difficulties for MCI and its customers.

70. The problem with missing notifiers developed soon after MCI launched service in Georgia in May and it increased subsequently. As of October 4, MCI was missing 733 notifiers in Georgia. It was missing 311 confirmations/rejects – 123 of which have been missing since July. It was also missing 422 completions – 274 of which have been missing since July.[17]

71. The number of missing notifiers decreased on October 5 after BellSouth finally re-flowed many of the notifiers that had previously been missing. The number of missing notifiers then began to increase again, however. As of October 16, MCI was missing 184 FOCs/rejects and 346 completion notices. The number of missing notifiers will certainly continue to increase for some time because BellSouth has refused to re-flow missing notifiers except in conjunction with a scheduled EDI release! Until October 19, MCI was not certain what BellSouth considered to be the next scheduled release with which it would re-flow missing notifiers. On October 19, BellSouth called and indicated that it would re-flow on November 3 the 260 notifiers still missing as a result of the LEO problem. And it may only be the fortuity of the newly scheduled release for migration by telephone number that has persuaded BellSouth to re-flow the notifiers even then.

72. KPMG identified similar problems during third-party testing. In Florida, KPMG opened Exception 105 on September 21, 2001 because "KPMG has not received responses to

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[17] Neither SBC nor Verizon have anywhere close to this number of missing notifiers even though order volumes in those regions are far higher. In Pennsylvania and New York combined, for example, 114 notifiers were missing as of October 16.

several Local Service Requests (LSRs) using the Electronic Data Interchange (EDI) interface." (Att. 4, Florida Exception 105.) Indeed, Florida Exception 105 lists 68 LSRs for which KPMG did not receive a FOC or reject[18] and 13 LSRs for which KPMG did not receive an acknowledgment. Florida Exception 99 also indicates BellSouth's failure to return responses to LSRs. (Att 4, Florida Exception 99.) Similarly during re-testing in Georgia test, KPMG found that BellSouth did not return completion notices on 14% of EDI orders for which KPMG expected a completion notice and 16% of TAG orders. Stacy Aff. ¶ 489; Georgia MTP O&P 1-2-1, 2-2-1. Despite this enormously high failure rate, KPMG closed the Exception it opened on this issue for the sole reason that "no subsequent re-testing activities are planned." Georgia MTP O&P 1-2-1, 2-2-1.

73. The missing notifier problem is likely to grow significantly worse if BellSouth does not identify the root causes and eliminate them. At present, ordering volumes in Georgia remain relatively low compared to other states and Georgia is the only BellSouth state in which BellSouth is processing any substantial volume of UNE-P orders. If order volumes grow substantially, the number of missing notifiers is likely to grow substantially as well.

74. As the Commission knows, the impact of delayed and missing notifiers on CLECs is severe. The NYPSC found that Verizon's missing notifiers significantly delayed customers' ability to move their service to competitive local exchange companies. If CLECs do not receive a reject, for example, they do not know that they must clarify an order and re-transmit it. Similarly, if CLECs do not receive a completion notice, they must assume that BellSouth has not yet completed the order. If this assumption is correct, as it has proven to be in some instances, the customer is not receiving service from the carrier of his or her choice and that carrier is not receiving revenue from the customer. If the assumption is incorrect, BellSouth has completed the order but the CLEC does not know this. Thus, the CLEC does not know that it should begin

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18 KPMG also opened Exceptions 51, 54, 85 and 100 in Florida concerning BellSouth's failure to return mechanized rejects and FOCs in a timely fashion. (Att. 4, Florida Exceptions 51, 54, 85, 100.) It opened observation 100 concerning BellSouth's failure to return timely completion notices.

billing the customer and also does not know that it is responsible for maintenance and repair for that customer. For those customers that have been missing notifiers since July, for example, MCI has been unable to bill the customers for months.

75. BellSouth has not responded adequately to the problem of missing notifiers; nor has it even succeeded in re-flowing missing notifiers that MCI has identified. In early June, MCI began asking to have routine meetings with BellSouth to discuss missing notifiers with appropriate subject matter experts. BellSouth did not agree to begin such meetings until mid-August, however, and even then, not all of the necessary experts were present and the "experts" who were present did not have extensive knowledge of EDI or of BellSouth's systems. Even though almost all of BellSouth's OSS development and management has been contracted out to outside vendors (Att. 7, Stacy Dep. at 143-46, 153-57), and even though BellSouth's VAN is also run by a third-party vendor, no representatives from the outside vendors were on the calls. Eventually, after MCI repeatedly pressed BellSouth on this subject, BellSouth added a representative from Peregrine, which runs the VAN, but BellSouth still has not added representatives from the vendors managing its OSS.

76. This does explain, however, why the BellSouth representatives on the calls have such limited knowledge of EDI and BellSouth's systems. Whenever MCI asks a question, BellSouth's response is always that it will have to get back to MCI in 7 days – and the 7 days often becomes weeks. Often BellSouth will explain that the individual responsible for the BellSouth system involved – LEO, for example, is not on the call. Indeed, the BellSouth representatives on the call seem to change every week. In some instances, it appears that the single BellSouth employee with the knowledge to answer many of MCI's questions – Kathy Ragsdale – is simply overwhelmed with too much work.

77. Because BellSouth has not had appropriate experts on the calls, it has had difficulty identifying the root cause of the missing notifier problem. Although MCI has been explaining the missing notifier problem to BellSouth since June, BellSouth long denied there was a problem – suggesting that it had sent the notifiers but that MCI had lost them. MCI had to explain to